THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) to (c) The Department of Industrial Policy and Promotion has received a letter from SEBI and is examining the same.

(d) and (e) Different agencies, including the National Security Council, have different responsibilities and hence different perspectives. Hence, they may have different opinions on certain issues. However, such differences are reconciled in the consultation process leading to policy decisions.

Fraud by financing company of Hyderabad

2907. SHRI GIREESH KUMAR SANGHI: Will the Minister of FINANCE be pleased to state:

(a) whether any matter of fraud committed recently by a large financing company of Hyderabad has been brought to Government's notice;

(b) if so, the details thereof;

(c) whether the company involved was operating in violation of the rules, regulations and guidelines of the RBI;

(d) if so, whether Government have ordered any inquiry to look into the matter and award suitable punishment to the defaulter company; and

(e) what action Government have taken to safeguard the interests of depositors of the company?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) to (e) Some complaints have been received against M/s Margardarshi Financiers, a Hyderabad based Hindu Undivided Family (HUF). It was alleged that the HUF had raised a huge sume of deposit from the public and had reported accumulated losses while engaging in business of non-banking financial activities. It was also alleged that it has infringed Section 45S of the Reserve Bank of India (RBI) Act, 1934 which prohibits partnership firms or any unincorporated body of individuals from accepting any deposits from the public unless it is from relatives.

RBI has reported that the unincorporated body has been advised not to accept any fresh deposits or renew matured deposits and to pay deposits

as and when they mature. Further, the unincorporated body has agreed to deposit equivalent amount of unclaimed deposits in ESCROW account on the due date and utilize the dis-investment proceeds to meet the depositors' liability which are consistent with the above approach.

Recovery of fraudulently allotted shares

2908. SHRI TARIQ ANWAR: Will the Minister of FINANCE be pleased to state:

(a) whether Government propose to recover fraudulently allotted shares and redistribute to genuine investors;

(b) if so, the details thereof; and

(c) what steps Government are taking to stop this kind of mischief in future?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) to (c) The question does not refer to any specific instance of fraudulent allotment. Assuming that it refers to allotment of shares to persons who applied from benami/fictitious names, as identified by SEBI in respect of 21 IPOs made during 2003—05, it is endeavour of the authorities to undo the cornering of the IPOs by manipulators. In pursuance to this, SEBI has passed an interim order on 21st November, 2006 directing the depositories and depository participants involved in these IPOs to disgorge Rs. 115.81 crore jointly and severally.

Rise in annual per capita income

†2909. SHRI RAJ MOHINDER SINGH MAJITHA:
SHRI RAM JETHMALANI:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that country's per capita annual income has risen from Rs. 19,500/- in the year 2005 to Rs. 20,700/- in the year, 2006;

(b) if so, the details thereof;

†Original notice of the question was received in Hindi.